Procedure for the After-the-fact Review of Compensation Charges to Sponsored Projects

Responsible Officer(s): Directors, Grant and Contract Services (GCS) and Grant and Contract Accounting (GCA)
Sponsoring Department(s): Office of Grant and Contract Services
Revision Date: April 25, 2018
Errors or changes to: ogcs@uta.edu

PROCEDURE OBJECTIVE

Institutional compliance to CFR 200.430 Compensation – an after-the-fact review is conducted to support that compensation charged to a sponsored project and/or committed as cost sharing does not exceed the proportionate share of Institutional Base Salary (IBS) for the work performed on the project. 2 CFR 430 (a) permits salary to be paid anytime during the project period provided the payment level is commensurate with or less than the work performed on the project.

SCOPE

• All sponsored projects governed under CFR 200.430.

Procedure Exclusions:
• Compensation charged to institutional sources is not covered under this policy, except for compensation used in support of committed cost sharing requirements
• The accounting of Voluntary Uncommitted Cost Sharing for a specific project (faculty project time that is not compensated or committed as cost sharing towards the project).

PROCEDURE

• THE PRINCIPAL INVESTIGATOR (OR DESIGNEE)

  • Review the Project Salary and Cost Share charged on the Monthly Project Payroll Report relative to the work each individual is performing, the Payroll Analysis Report (showing total activity for each individual) and their Institutional Base Salary (IBS) received.
  • If the salary (and cost share) allocation does not reasonably reflect or exceeds the activities for the work performed on the project by an individual(s) relative to their IBS, coordinate with your Department Administrative Assistant to process a reallocation of payroll to the interim charges and future estimates as needed.
  • Review the Project Salary and Cost Share charged on the Cumulative Project Payroll Report relative to the work each individual is performing and their Institutional Base Salary (IBS) received.
  • If the salary charges reasonably reflects the work activities performed on the project on the Cumulative Project Payroll Report for all non-hourly individuals, confirm that the salary received did not exceed their proportionate share (to their IBS) of the work performed on the project.
DEPARTMENT ADMINISTRATIVE STAFF
- Monitor salary charges, and cost sharing on all applicable awards
- Communicate to Office of Grant and Contract Services any changes that require sponsor notification and/or approval
  - Review salary charges with PI/faculty member and post any salary distribution updates and/or corrections in a timely manner
  - Monitor that payroll confirmations are completed at the award anniversary

OFFICE OF GRANT AND CONTRACT SERVICES (OGCS)
- Maintain the University Policy and Procedure
- Provide training, guidance on requirements, and oversee University-wide compliance with the University Policy and Procedure

FORMS AND TOOLS/ONLINE PROCESSES
Payroll review and confirmation is accessed through the Report Portal in mentis.

DEFINITIONS
- Reasonable: A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
- Necessary: A cost is necessary if the objectives of the project cannot be met without incurrence of the cost.
- Allowable: A cost is allowable if it is in conformity with governing laws and the policies and procedures of the institution.
- Allocable: A cost is allocable if it is assignable to a specific cost objective in reasonable proportion to the benefit provided to the project to which it is charged. If a cost benefits two or more projects in proportions that cannot be determined because of the interrelationship of the work involved, the cost may be allocated or transferred to the benefitted projects on any reasonable documented basis (200.405 (d)).
- Principal Investigator: Typically, a faculty member named in the award who has primary responsibility for technical compliance, completion of programmatic work, and fiscal stewardship of sponsor funds. (Can cross reference any other policies that may address PI eligibility and responsibilities)
- Committed Cost Share: The portion of project or program costs not borne by the sponsor that has been quantified in the proposal and made as a condition of award. Committed cost share can be mandatory or voluntary committed.
- Institutional Base Salary: The base annual compensation set by the institution for an individual’s appointment, whether that individual’s professional activities are spent on instruction, research, public service, administration, or on other areas of focus, and whether that employee is appointed full-time or part-time. IBS excludes income that an individual may be permitted to earn outside of duties to the institution.
- Project Compensation Report: The report distributed to the principal investigator or designee of the compensation expenditures charged to a sponsored project. The purpose of the Project Compensation Report is to support that expenditures are accurate and reasonable in relation to the work performed by each individual.
RELATED STATUTES, POLICIES, REQUIREMENTS OR STANDARDS

<table>
<thead>
<tr>
<th>UT System Administration Policies and Standards</th>
<th>Other Policies and Standards</th>
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<tbody>
<tr>
<td>2 CFR 200.430(h)(viii)(C)</td>
<td>UT Arlington Policy for the After-the-fact Review of Compensation Charges to Sponsored Projects</td>
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APPENDICES

None

CONTACTS

If you have any questions about UT Arlington Procedure contact the following departments:

<table>
<thead>
<tr>
<th>Subject</th>
<th>Office Name</th>
<th>Telephone</th>
<th>Email/URL</th>
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</thead>
<tbody>
<tr>
<td>All topics in Policy</td>
<td>Grant and Contract Services</td>
<td>817-272-2105</td>
<td><a href="mailto:ogcs@uta.edu">ogcs@uta.edu</a></td>
</tr>
</tbody>
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